

Introduced by Senator Costa

February 26, 1999

An act to add Section 54954.7 to the Government Code, and to add Section 454.1 to the Public Utilities Code, relating to services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1006, as introduced, Costa. Water and sewer systems: rates.

(1) Under the Public Utilities Act, a public utility, including a water corporation and a sewer system corporation, may not change any rate or alter a classification, contract, practice, or rule so as to result in a rate increase unless a showing is made before the Public Utilities Commission, and a finding is made by the commission pursuant to prescribed proceedings, that the change is justified.

This bill would permit a customer to request to be notified with regard to any water or sewer system corporation rate increase application that proposes any rate increase and would require the water or sewer system corporation to notify any individual customer that requests the notification. Because, under the act, a violation of this provision would be a crime, this bill would impose a state-mandated local program by creating a new crime. The bill would authorize the corporation to charge a specified notification fee.

The bill would also permit a customer to request to be notified a minimum of 30 days in advance of an approval by a legislative body of a local agency retail water or sewer

provider, as defined, for any water or sewer rate increase in excess of specified percentages, and would require the local agency to notify any individual that requests the notification, thereby imposing a state-mandated local program. The bill would authorize the provider to charge a specified notification fee.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 54954.7 is added to the
2 Government Code, to read:
3 54954.7. (a) A customer may request to be notified a
4 minimum of 30 days in advance of the date when action
5 may be taken by the legislative body of a local agency
6 retail water or sewer provider to approve a water or
7 sewer rate increase in excess of either 8 percent for one
8 year, 18 percent on a cumulative basis over three years,
9 or 20 percent on a cumulative basis over four years.
10 "Customer" shall mean a retail account that uses or
11 discharges in excess of 10,000 gallons of water or
12 wastewater per day over the course of any standard
13 billing cycle.



1 (b) A request filed pursuant to this section shall be
2 submitted in writing to the office of the local agency. The
3 request shall contain the name of the person and mailing
4 address to which notice shall be provided by the local
5 agency. Any request for notice filed pursuant to this
6 section shall be valid for one year from the date on which
7 it was filed unless a renewal request is filed. Renewal
8 requests for notice shall be filed within 90 days after
9 January 1 of each year.

10 (c) Notice shall be sent by first-class mail and shall be
11 deposited in a post office, mailbox, subpost office,
12 substation, mail chute, or other like facility regularly
13 maintained by the United States Postal Service, in a
14 sealed envelope, with postage paid. Notice by mail is
15 complete at the time of deposit. The failure of any
16 customer to receive the notice given pursuant to this
17 section shall not constitute grounds for any court to
18 invalidate the actions of the legislative body for which the
19 notice was given.

20 (d) Action taken to adopt a rate increase pursuant to
21 this section that is continued to any subsequent meeting
22 of the legislative body shall not require further notice
23 beyond that required pursuant to this chapter.

24 (e) In case of a generally recognized emergency, a
25 legislative body may pass a resolution declaring that the
26 public interest and necessity demand the immediate
27 increase of water or sewer rates to safeguard life, health,
28 or property. If notice will not be given pursuant to this
29 section, the legislative body shall comply with the other
30 provisions of this chapter.

31 (f) The provisions of this section shall apply to actions
32 taken after January 1, 2000.

33 (g) The legislative body may establish a reasonable
34 annual fee for sending the notice based on the estimated
35 cost of providing the service. The fee shall not exceed one
36 hundred dollars (\$100) per customer.

37 (h) For purposes of this section, retail water and sewer
38 providers include any entities that provide water and
39 sewer system services, including, but not limited to, all
40 governmental and quasi-governmental agencies, cities,

1 counties, cities and counties, regional agencies, irrigation
2 districts, special districts, and special agencies.

3 (i) This section does not apply to those entities
4 providing notification pursuant to Section 454.1 of the
5 Public Utilities Code.

6 SEC. 2. Section 454.1 is added to the Public Utilities
7 Code, to read:

8 454.1. (a) A customer may request any water
9 corporation or any sewer system corporation to provide
10 the customer with a copy of an application to the
11 commission for a rate increase pursuant to Section 454.
12 The water or sewer system corporation shall provide the
13 customer with a copy of the rate increase application
14 within 10 days after the filing of the application with the
15 commission, or within 10 days of the receipt of the
16 request, whichever is later.

17 The customer's request shall indicate the person to be
18 notified and the manner in which the notice is given. A
19 water or sewer system corporation shall notify any
20 individual customer who requests notification as
21 provided in this subdivision.

22 (b) A water or sewer system corporation may impose
23 a customer notification fee for notices required by
24 subdivision (a) for individual customers. The fee shall
25 reflect the reasonable costs of providing the notification
26 and shall not exceed one hundred dollars (\$100) per
27 customer request and notification.

28 SEC. 3. No reimbursement is required by this act
29 pursuant to Section 6 of Article XIII B of the California
30 Constitution for certain costs that may be incurred by a
31 local agency or school district because in that regard this
32 act creates a new crime or infraction, eliminates a crime
33 or infraction, or changes the penalty for a crime or
34 infraction, within the meaning of Section 17556 of the
35 Government Code, or changes the definition of a crime
36 within the meaning of Section 6 of Article XIII B of the
37 California Constitution.

38 However, notwithstanding Section 17610 of the
39 Government Code, if the Commission on State Mandates
40 determines that this act contains other costs mandated by

1 the state, reimbursement to local agencies and school
2 districts for those costs shall be made pursuant to Part 7
3 (commencing with Section 17500) of Division 4 of Title
4 2 of the Government Code. If the statewide cost of the
5 claim for reimbursement does not exceed one million
6 dollars (\$1,000,000), reimbursement shall be made from
7 the State Mandates Claims Fund.

O

